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RECORDKEEPING

You can avoid headaches at tax time by keeping track of your receipts and other records throughout the year, the IRS advises. Good recordkeeping will help you remember the various transactions you made during the year, which may help you out on your taxes.

Records help you document the deductions you've claimed on your return. You'll need this documentation should the IRS select your return for examination. Normally, tax records should be kept for three years, but some documents — records relating to a home purchase or sale, stock transactions, IRA and business or rental property — should be kept longer.

In most cases, the IRS does not require you to keep records in any special manner. Generally speaking, however, you should keep any and all documents that may have an impact on your federal tax return. Such items would include bills, receipts, invoices, mileage logs, canceled checks, or any other proof of payment, and any other records to support any deductions or credits you claim on your return.

Good recordkeeping throughout the year saves you time and effort at tax time when organizing and completing your return. If you hire a paid professional to complete your return, the records you have kept will assist the preparer in quickly and accurately completing your return.

For more information on what kinds of records to keep, see Publication 552, "Recordkeeping for Individuals," and Publication 17, "Your Federal Income Tax For Individuals." Both are available on the IRS Web site (*www.irs.gov*), at any local IRS office, or by calling toll-free 1-800-TAX-FORM (1-800-829-3676).

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